

Proposed Loan Program Lending Procedures

All applications are reviewed by staff and a determination is made through the underwriting process that the applicant does, or does not, demonstrate an ability to repay the loan. Once that determination is made, the loans will be processed as follows:

- a) **Applications sent to Loan Committee with a recommendation of approval:** Staff has reviewed the application, affirmed the applicant's repayment ability, and a mutually acceptable loan structure (amount, terms and conditions) has been negotiated with the applicant. Under these conditions, a loan credit summary with a recommendation for approval is forwarded to the Loan Committee. After reviewing the application, the Loan Committee may recommend approval, approval with modification or recommend decline of the application. (An applicant has the option to attend the Loan Committee meeting.)
- b) **Applications sent to Loan Committee with no recommendation:** Staff has reviewed the application and affirmed the applicant's repayment ability, and a mutually acceptable loan structure (terms and conditions) cannot be negotiated with the applicant. Under these conditions, with the approval of the applicant, a loan credit summary with no recommendation is forwarded to the Loan Committee. The credit summary will affirm the applicant's repayment ability and provide both the loan structure recommended by staff and the loan structure requested by the applicant. After reviewing the application, the Loan Committee may recommend approval with specified terms and conditions, or recommend decline of the credit application. Within 7 working days of the date of the Loan Committee's approval recommendation, the applicant would be contacted in writing as to the Loan Committee's decision. The applicant would then have ten working days to accept, in writing, the terms and conditions recommended by the Loan Committee, before the application would be taken to the Market Development Committee. (The applicant has the option to attend the Loan Committee meeting.)
- c) **Applications sent to Loan Committee on appeal:** Staff has reviewed a complete application and determined the applicant has failed to show repayment ability or an ability to adequately collateralize the loan. A decline letter is sent to the applicant indicating the reason(s) for denial, and includes a section informing the applicant of their right to appeal staff's decision to the Loan Committee.

The applicant has ten working days to appeal, in writing, staff's denial decision. Upon receiving the written appeal from the applicant, staff would prepare and forward to the Loan Committee a credit summary detailing why the application was denied. After reviewing the application, the Loan Committee may recommend approval, approval with modification or recommend decline of the applicant. Within 7 working days of the date of the Loan Committee meeting, the applicant would be contacted in writing as to the Loan Committee's decision. If the Loan Committee recommends approval of the application, the applicant would then have ten working days to accept, in writing, the terms and conditions recommended by the Loan Committee, before the application would be taken to the Market Development Committee. (The applicant has the option to attend the Loan Committee meeting.)

- d) **Applications that are withdrawn:** Staff has ten days upon receipt of the application to review the application for completeness and notify the applicant of any deficiencies. A deficiency letter will be sent to the applicant itemizing the information required to complete the application, and will indicate a deadline for submitting the necessary information. When an applicant refuses to, or fails to, provide the necessary information to complete the application by the specified date, the application will be withdrawn from the credit review process. It should also be noted that an applicant may request withdrawal of their own application.

Such applicants will be notified in writing that their application has been withdrawn from active consideration. Withdrawn applications cannot be appealed to the Loan Committee. However, the applicant may submit a new application, along with the application fee, as is the right of any qualifying business. Voluntary withdrawals of an application will not prejudice an applicant's ability to submit future applications.

- e) **Loan Committee recommends denial of application:** Where the Loan Committee recommends denial of an application, the applicant will be notified in writing within 7 working days of the date of the Loan Committee's denial decision. The denial letter will inform the applicant of the reason(s) for denial and explain the applicant's right to appeal the Loan Committee's recommendation to the Market Development Committee. The appeal must be in writing, and must be postmarked within 15 working days of the date the denial letter was mailed. Upon receipt of a properly filed appeal request from the applicant, the application will be forwarded for review by the Market Development Committee. Unless appealed in writing, applications recommended for denial by the Loan Committee will not be forwarded to the Market Development Committee for reconsideration.